



MEMORANDUM

To: PLANNING COMMISSION

Date: May 22, 2007

From: COMMUNITY DEVELOPMENT DEPARTMENT

Subject: EXCEPTION TO LOSS OF BUILDING ALLOTMENT AWARDED TO
APPLICATION MC-05-04: MONTEREY – SHERMAN HOUSE

REQUEST

A request for a one year extension of time on a building allotment awarded under the Downtown Small Vertical Mixed Use RDCS competition for fiscal year 2008-09.

RECOMMENDATION

Environmental Assessment: N/A

Application MC-05-04: Adopt Resolution recommending City Council approval of a one-year extension of time.

Processing Deadline: November 27, 2007

BACKGROUND

In March 2006, the applicant, Sherman House Associates, was awarded a 7 dwelling unit building allotment in the Residential Development Control System (RDCS) Downtown Competition under the Small Vertical Mixed Use category. The building allotment was awarded for fiscal year 2008-09. In November 2006, the voters approved Measure F. Measure F established a separate set-aside of 100 units to be allocated to projects in the Downtown Core area bounded by Main Avenue to the north, the railroad tracks to the east, Dunne Avenue to the south and Del Monte Avenue to the west. Measure F also allowed this project and other projects that competed in the March 2006 Downtown RDCS competition to advance the timing their fiscal year building allotments so that projects can be completed sooner. However, Measure F did not eliminate the deadline to commence construction under a project's fiscal year building allotment. For the Sherman House, the project must commence construction by June 30, 2009.

CASE ANALYSIS

The procedures recommended by the Planning Commission and adopted by the City Council to implement Measure F, included provisions that will allow a Downtown Area RDCS project awarded a building allotment in the March 2006 competition, to receive a supplemental allotment from the Measure F 100-unit set-aside. To receive a supplemental allotment, the project must be located in the Downtown Core area described above, and the project at the higher density must score the same or higher compared to the project in the March 2006 competition. The Downtown Plan update that is currently underway is proposing to increase the allowable densities through out the downtown from 8 to 18 dwelling units to the acre to up to 40 to 50 dwelling units to the acre. The higher density would apply to the Sherman House property. Currently higher densities at a maximum of 40 dwelling units to the acre are limited to "opportunity sites" such as the Sunsweet Property on East Third Street. The Downtown Plan update is expected to be completed this time next year or possibly in the Fall of 2008 depending on whether the update requires an EIR.

The applicant for the Sherman House development would like to increase the number of dwellings in the project from 7 to 15 units. This will be possible when higher residential densities are adopted for the entire Downtown. To provide sufficient lead time to design a revised project with more units, the applicant is requesting a one year extension of time for the project's current 7-unit building allotment. The request would extend the project's building allotment from fiscal year 2008-09 to fiscal year 2009-10. The extension will allow time for the applicant to revise the project and receive a Measure F allotment following completion of the Downtown Plan Update. Staff recommends approving the one year extension of time to allow the applicant an opportunity to increase the residential density of this project, consistent with the proposed Downtown Plan update.

Attachments:

1. Resolution recommending a one-year extension of time.
2. Letter dated April 24, 2007

RESOLUTION NO.

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING APPROVAL OF A ONE-YEAR EXTENSION OF TIME ON THE RESIDENTIAL BUILDING ALLOTMENT FOR APPLICATION MP-05-04: MONTEREY – SHERMAN HOUSE (APN 726-14-030)

WHEREAS, the Planning Commission pursuant to Chapter 18.78.125 of the Morgan Hill Municipal Code, awarded a building allotment for seven dwelling units for application MC-05-04: Monterey – Sherman House for Fiscal Year 2008-2009; and

WHEREAS, under Section 18.78.125.G of the Municipal Code, the City Council may grant an Exception to Loss of Building Allocation if it finds that the cause for the lack of commencement was the City's failure to grant a building permit for the project due to an emergency situation as defined in Section 18.78.140, or extended delays in environmental reviews, permit delays not the result of developer inaction, or allocation appeals processing; and

WHEREAS, a 12-month extension of time is currently requested to allow the project to receive a supplemental building allotment to increase the project density and the delay is due to expected time needed to complete the Downtown Plan Update and the environmental review and the follow-up Zoning Amendment required to allow the increased density; and

WHEREAS, such request was considered by the Planning Commission at their regular meeting of May 22, 2007, at which time the Planning Commission recommended approval of a twelve-month extension of time for the seven unit building allocation awarded to MP-05-04: Monterey – Sherman House; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

**NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES
RESOLVE AS FOLLOWS:**

SECTION 1. The approved project is consistent with the Zoning Ordinance and the General Plan.

SECTION 2. Based on the findings required in Section 18.78.125 of the Municipal Code, the Planning Commission recommends a one-year extension of time on the residential building allotment, extending the time for commencement of construction of the seven Downtown Measure C allocations from June 30, 2009 to June 30, 2010.

RESOLUTION NO.
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**PASSED AND ADOPTED THIS 22nd DAY OF MAY, 2007, AT A REGULAR MEETING
OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:**

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST:

APPROVED:

**FRANCES O. SMITH, Deputy City Clerk
Office Assistant II**

ROBERT J. BENICH, Chair

April 24, 2007

City of Morgan Hill – Planning Department
17555 Peak Avenue
Morgan Hill, CA 95037

PLANNING DEPT.

APR 26 2007

CITY OF MORGAN HILL

Re: Madeline Mixed Use Building – file #MC-0504

To Whom It May Concern:

Sherman House Associates would like to request an exception due to loss of Building allotment. The extension would allow the time necessary in order to complete the downtown updates. The update will increase the densities, allowing us to increase the units from 7 to 15.

Sincerely,



Manou Mobedshahi
Sherman House Associates